

Executive Summary

• Macroeconomics

Bernanke makes case for further asset purchases as Fed sets inflation goal.

• Forex

The euro traded at \$1.3106 at 5:00 p.m. in New York. The EUR/RON closed 4.3460/4.3480.

• Money Market

RON O/N trading range was at 3.70% - 4.20%.

• Equities

Domestic

The BSE closed green, BET-C advanced 0.85% on lower volumes, while BET increased 0.83%, BET-FI gained 0.11%. RASDAQ-C closed green (+0.49%) on lower volumes, while Tier I gained 3.75%, Tier II dropped 0.10%.

Foreign

U.S. stocks rose, sending the Dow Jones Industrial Average to the highest level since May. European stocks dropped.

• Commodities

Oil down. Most other major commodities up.

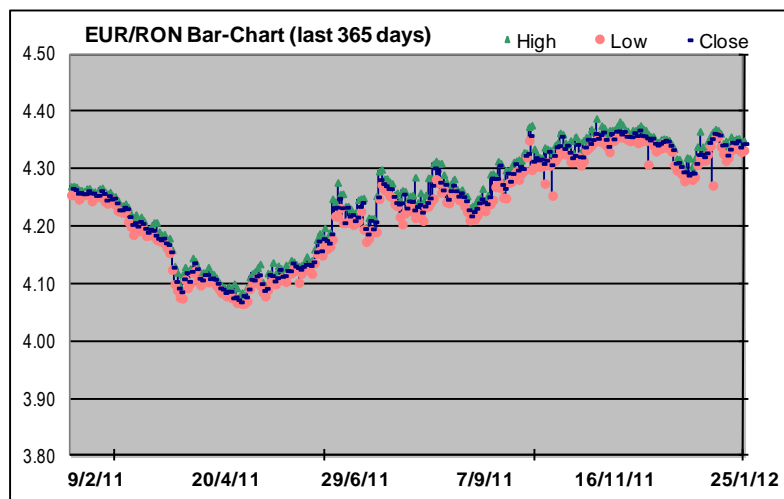
Market Data (as of 26 January 2012)

(market info sources: Bloomberg Professional Service, www.bvb.ro, www.bse.hu)

• Forex (as of 26-Jan-12)

FX Rates*	Prv. Day	Min 52W	Max 52W	Ytd	-52W
EUR/RON	4.3440	4.0782	4.3595	4.3271	4.2680
USD/RON	3.3289	2.7352	3.4435	3.3367	3.1192
CHF/RON	3.5982	3.1021	4.0619	3.5540	3.3054
100HUF/RON	1.4581	1.3390	1.6076	1.3745	1.5512

* since Bloomberg is the data source NBR rates will likely differ

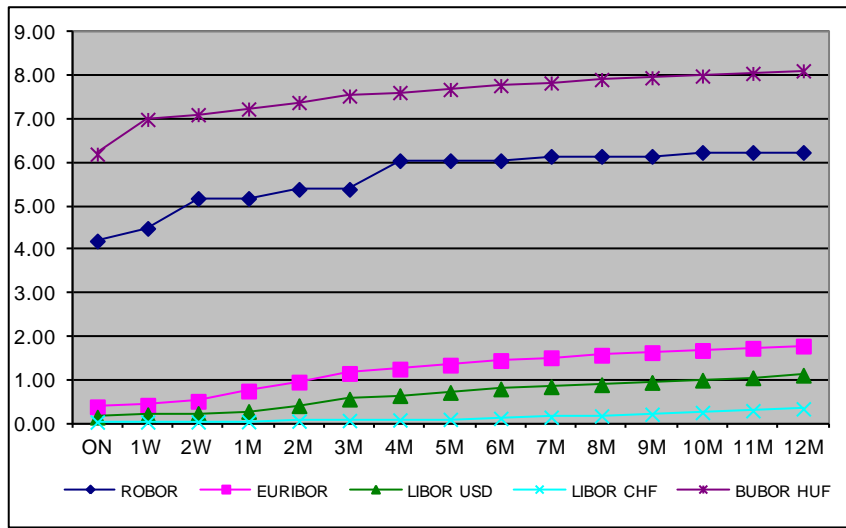


• Money Markets (valid for 26 January 2012)

Rate	ON	1W	2W	1M	2M	3M	4M	5M	6M	7M	8M	9M	10M	11M	12M
ROBOR*	4.20	4.49	-	5.18	-	5.39	-	-	6.05	-	-	6.15	-	-	6.24
EURIBOR**	0.38	0.42	0.51	0.74	0.95	1.15	1.25	1.34	1.45	1.51	1.57	1.63	1.68	1.73	1.78
LIBOR USD	0.14	0.20	0.23	0.27	0.41	0.56	0.64	0.71	0.79	0.84	0.89	0.94	0.99	1.05	1.11
LIBOR CHF	0.03	0.03	0.03	0.04	0.05	0.06	0.08	0.09	0.11	0.14	0.17	0.21	0.25	0.29	0.33
BUBOR HUF	6.20	7.00	7.11	7.24	7.39	7.54	7.62	7.69	7.78	7.84	7.92	7.96	8.00	8.06	8.12

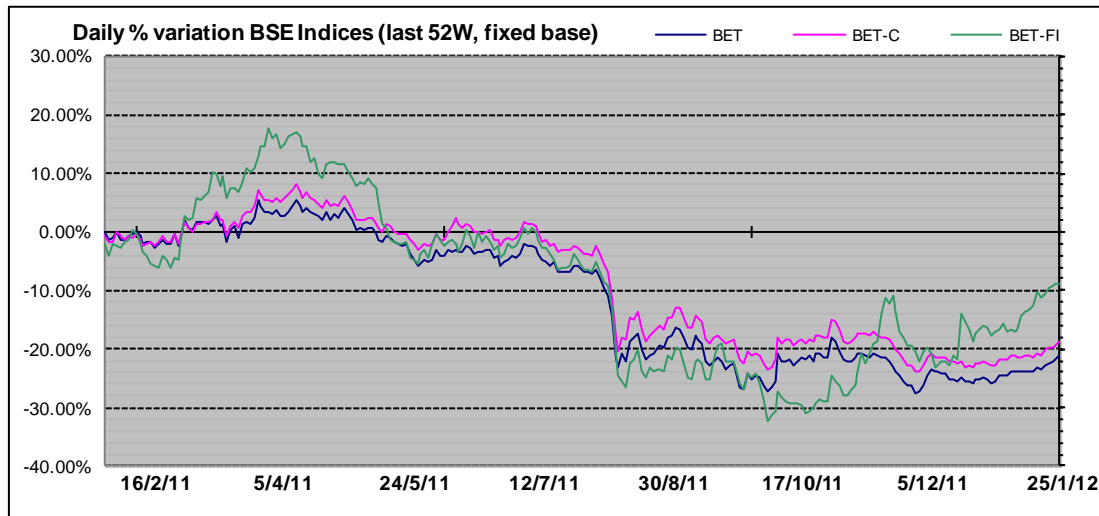
* in the chart below, values for maturities where there is no quote are proxied by the maximum of the previous and the next maturity

** EONIA for ON



(source for the graph: the last table on the page above)

Equities



(source for the graph: Bloomberg data on BSE indices)

Domestic

Indices (RON)	Last close	1d%	Ytd%	52W%
BET	4,542.31	0.83	4.74	-21.32
BET-C	2,726.61	0.85	4.01	-19.19
BET-FI	21,130.84	0.11	9.25	-13.36
ROTX	8,665.80	0.68	7.81	-26.69
Rasdaq-C	1,594.73	0.49	0.93	-9.83
RAQ-I	911.76	3.75	0.32	-41.10
RAQ-II	1,918.95	-0.10	-3.67	-38.32

Foreign

Indices	Last close	1d%	Ytd%	52W%
DJIA (USD)	12,756.96	0.64	4.41	6.51
S&P 500 (USD)	1,326.06	0.87	5.44	2.70
DAX (EUR)	6,421.85	0.04	8.88	-9.03
FTSE 100 (GBP)	5723	-0.50	2.70	-3.29
STOXX 600 (EUR)	254.95	-0.43	4.26	-8.98
BUX (HUF)	18,660.85	-1.00	9.94	-18.12

Top 5 most traded	Volume -RON	Volume - shares	Trades	Last price	1d%
FP	8,063,694	17,175,600	412	0.4700	0.43
SNP	1,644,438	5,242,500	279	0.3160	3.27
SIF5	1,407,119	1,189,500	98	1.1800	-0.42
TLV	1,323,692	1,454,000	69	0.9150	0.55
SIF2	1,280,116	985,000	125	1.2930	-0.08

Trading Volumes	BVB	Rasdaq	BUSE	NYSE listed	Nasdaq	LSE	STOXX 600 *
Previous Day	4.79	0.05	38.35	17,679.97	13,341.99	4,198.03	254.95
Ytd Avg. (EUR mn)	5.45	0.08	55.02	16,189.94	10,059.94	4,652.73	251.13
MCap (EUR bn)**	17.84	2.37	16.67	3,731.49	13,544.87	2,601.47	6,374.61

* 600 stocks from 15 EU countries + Switzerland, Norway and Iceland
 ** For BUSE, NYSE, NSADAQ and LSE only stock listed primarily on that specific market

Best 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
PEI	19	1	1	18.8000	5.62
IMP	83,856	398,500	10	0.2200	4.76
BCM	680	10,000	1	0.0680	4.29
SNP	1,644,438	5,242,500	279	0.3160	3.27
SOCP	2,400	7,500	42	0.0646	3.23

Worst 5 performers	Volume -RON	Volume - shares	Trades	Last price	1d%
PREH	300	200	2	1.4060	-11.57
RMAH	3,778	19,500	14	0.1900	-8.21
TUFE	6,360	42,000	15	0.1510	-5.63
EFO	3,041	43,000	19	0.0700	-4.63
COFI	33,593	1,739,200	231	0.0192	-4.00

- **Commodities**

Item (market)	unit	last close	1d%	Ytd%	52W%
Oil (Brent crude)	USD/barrel	109.81	-0.20	2.75	13.70
Gold (COMEX)	USD/ounce	1703	2.14	8.51	26.59
Platinum (NYMEX)	USD/ounce	1581.75	1.95	12.90	-11.47
Silver (COMEX)	USD/ounce	33.121	3.58	18.65	23.29
Wheat (CBOT)	USD/bushel	6.4125	1.22	-1.76	-29.98
Corn (CBOT)	USD/bushel	6.345	0.67	-1.86	8.18

- **OTP AM – Open-End Funds (as of 24-Jan-12)**

Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%
OTP AvantisRO	RON	5.9200	-0.34	5.34	-15.06
OTP Obligatiuni	RON	11.5100	0.00	0.44	12.18
OTP ComodisRO	RON	14.0270	0.02	0.45	6.47
OTP Euro Bond	EUR	10.5374	0.01	0.30	4.58

Market Highlights (as of 25 January 2012)

- **Forex**

The dollar fell 0.5 percent to \$1.3106 per euro at 5 p.m. in New York, after reaching \$1.3121, the weakest level since Dec. 21. The U.S. currency rose 0.1 percent to 77.78 yen after rising as much as 0.8 percent. The euro added 0.7 percent to 101.94 per yen. (Bloomberg)
EUR/RON opened at 4.3390/4.3410 and closed the day 4.3460/4.3480. (ContiCap)

- **Money Market**

RON O/N trading range was 3.70%- 4.20%. There was a negative shift in the curve, 1m moving -5.5bp, 2m -1bp, 3m -4bp, 6m -9.5bp, 9m -8bp and 12m -4bp. (ContiCap)

- **Equities**

- **Domestic**

The BSE closed green (BET-C, which does not include the SIFs advanced 0.85%) on lower volume and below this year's average volume. While BET blue chips index increased 0.83%, BET-FI gained 0.11%.

RASDAQ-C closed green (+0.49%), while Tier I gained 3.75%, Tier II dropped 0.10%. The trading volume was lower and below 2012's average volume.

- **Foreign**

The S&P 500 added 0.9 percent to 1,326.06 at 4 p.m. New York time, after dropping 0.5 percent earlier. The Dow gained 83.10 points, or 0.7 percent, to 12,758.85. The Nasdaq-100 Index rose 1.3 percent to 2,465.66, the highest since 2001. The benchmark Stoxx Europe 600 Index slipped 0.4 percent to 254.95 in London. The gauge has still risen 4.3 percent so far this year amid signs that the U.S. economy is recovering and as investors speculated that the euro area will contain its debt crisis and China will reduce curbs on lending. (Bloomberg)

- **Commodities**

Brent oil for March settlement declined 22 cents to end the session at \$109.81 a barrel on the London-based ICE Futures Europe exchange. The European contract's premium to March crude on the Nymex narrowed 67 cents to \$10.41 a barrel at the close of trading. That's down from a record high of \$27.88 on Oct. 14. (Bloomberg)

Latest Financial News

- **Macroeconomics**

Bernanke makes case for further asset purchases as Fed sets inflation goal.

Ben S. Bernanke laid the groundwork for a third round of large-scale asset purchases should unemployment remain higher than the Federal Reserve would like while inflation falls below a newly-established target. The Federal Open Market Committee "recognizes the hardships imposed by high and persistent unemployment in an underperforming economy, and it is prepared to provide further monetary accommodation," Bernanke said yesterday at a press conference in Washington. Stocks and Treasuries rallied after policy makers said the benchmark interest rate would stay low until at least late 2014, pushing back a previous date of mid-2013. Fed officials also lowered their projections for economic expansion and inflation for this year and next. (Bloomberg)

- **Forex**

Dollar weakens to one-month low as Fed extends rate target to late 2014.

The dollar reached the weakest level in a month against the euro after the Federal Reserve extended its pledge to hold its target for the federal funds rate low until late 2014 amid a "highly accommodative" monetary policy. The central bank had previously pledged to keep its rate target in place until mid-2013. The U.S. currency briefly pared losses after nine of 17 Fed officials expect borrowing costs will remain below 1 percent at the end of 2014, the Fed disclosed, with six officials expecting zero rates to remain into 2015. The euro fell versus most its major counterparts earlier after the European Central Bank was said to oppose restructuring its Greek bonds. New Zealand's dollar remained higher versus its U.S. counterpart as the nation's central bank held the target lending rate at 2.5 percent. "Late 2014 is much longer than the market had expected and that's why we're seeing a negative U.S. dollar reaction," said Brian Dolan, chief strategist at FOREX.com, a unit of online currency trading firm Gain Capital in Bedminster, New Jersey. "They are assuring markets that rates will remain low, assure businesses that rates won't go up soon and spur some economic gains." (Bloomberg)

- **Money Market**

Romania frontloads debt sales to avert change in risk appetite.

Romania sold a record amount of leu-denominated debt in January at lower yields as it seeks to protect its finances from a possible worsening of the European sovereign-debt crisis. The Balkan nation sold 9.94 billion lei (\$3 billion) in Treasury bonds and bills on the domestic market, more than double the planned amount and the most since April 2005, according to data from the Bucharest-based central bank. The yield for six-month Treasury bills dropped to 5.87 percent on Jan. 23 from a record 11 percent in July 2009 after inflation was the slowest in two decades in December at 3.14 percent. "It makes sense for Romania to frontload issuance as risk appetite seems to have stabilized for the moment," Neil Shearing, senior emerging-markets analyst at Capital Economics Ltd. in London, said by phone on Jan. 24.

"If risk appetite changes, which we think it will, Romania could be trapped in the turmoil because of its banks' high dependency on funding from their international parents." Romania, which needs to borrow about 70 billion lei this year to fund a budget deficit and pay maturing debt ahead of elections, joined Poland and other European countries in selling more debt than planned in the first month of the year to benefit from a lull in Europe's debt crisis. The Balkan nation needs to refinance 52.4 billion lei in maturing debt in 2012. (Bloomberg)

• Equities

Domestic

Romania signs management contract for Transgaz share sale.

Romania signed a contract with Raiffeisen Capital & Investment, Wood & Co. and local brokerage BT Securities SA to manage the sale of a 15 percent stake in natural-gas grid operator Transgaz SA through the Bucharest Stock Exchange, the country's Economy Ministry said yesterday in an e-mailed statement. (Bloomberg)

Romania's Proprietatea to sell stakes in gas/electricity cos in 2012.

Romania's property restitution fund Proprietatea plans to sell part of the shares it owns in gas and electricity distributors this year, the fund's manager, Greg Konieczny, said on Wednesday. "We do have strong intention to explore the possibilities to sell those assets, hopefully this year. We will make further announcements when there are future developments," Konieczny told a news conference organized in Romania's capital Bucharest to celebrate one year from the fund's listing. Blue chip Fondul Proprietatea, set up in 2005, was designed to compensate pre-communist owners whose property cannot be restored in its original form. The main Romanian gas and electricity companies in which Proprietatea holds stakes are OMV Petrom, Hidroelectrica, Nuclearelectrica, Romgaz, Transgaz, Enel Distributie Muntenia and GDF Suez Energy Romania. (SeeNews)

Foreign

Erste, Raiffeisen have ratings confirmed after S&P Austria cut.

Erste Group Bank AG and Raiffeisen Bank International AG had their A credit ratings confirmed by Standard & Poor's, which had put them on review for a possible downgrade Dec. 8, S&P said in a statement yesterday. Outlook negative on Erste Group, Raiffeisen Zentralbank. (Bloomberg)

Novartis's sales probably won't grow this year and profitability will be hurt, company said.

Novartis fell 2.5 percent to 50.70 Swiss francs. The drugmaker said sales probably won't grow this year and profitability will be hurt as the drugmaker's biggest-selling medicine loses U.S. patent protection. Fourth-quarter net income excluding some costs rose to \$3 billion, or \$1.23 a share, from \$2.8 billion, or \$1.14, a year earlier. Analysts had predicted \$1.24 a share, the average of 14 estimates compiled by Bloomberg. (Bloomberg)

• Commodities

Oil rises on speculation low U.S. interest rates to boost fuel consumption.

Oil rose for a second day in New York on speculation that a Federal Reserve pledge to keep U.S. interest rates low will bolster economic growth and boost fuel demand in the world's biggest crude consumer. "Most of the price movement has been driven by the announcement" from the Fed, said Tetsu Emori, a commodity fund manager at Astmax Ltd. in Tokyo. "Continuing the zero interest rate policy should fuel the economy. People could expect oil demand to go up." (Bloomberg)



LEGEND

"Min / Max 52W" = Minimum / Maximum value recorded in the past 52 weeks
 "Last close / price" = the closing price for the last trading session before the issue date of this report
 "MCap" = Market capitalization;
 "52W%" = cumulative % increase/decrease during the past 52 weeks;
 "Ytd Avg." = average value since the beginning of the current year

"Ytd" (Year to date) = quotation in the first trading day of the year;
 "Ytd%" (Year to date %) = cumulative % increase/decrease since the end of the previous year;
 "1d%" = % increase/decrease between Last close and the closing price of the day before the Last close date
 "BuSE" = Budapest Stock Exchange

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